United Nations E/AC.51/2001/10

Economic and Social Council

Distr.: General
13 June 2001

Original: English

Committee for Programme and Coordination
Forty-first session
11 June-6 July 2001
Item 4 (a)
Programme questions: proposed programme budget for the biennium 2002-2003

Letter dated 12 June 2001 from the Chairman of the Working Party on the Medium-term Plan and the Programme Budget of the United Nations Conference on Trade and Development addressed to the Chairperson of the Committee for Programme and Coordination

I am pleased to inform you that the Working Party on the Medium-term Plan and the Programme Budget of the United Nations Conference on Trade and Development (UNCTAD) met on 11 and 12 June 2001 in order to consider and comment on the relevant text (A/56/6 (Sect. 11A)).

At the conclusion of its deliberations, the Working Party adopted by consensus the agreed conclusions contained in document TD/B/WP/L.100, which I attach for the consideration of the Committee for Programme and Coordination (see annex I). In addition, I am attaching the introductory statement made in the formal session by the Deputy Secretary-General of UNCTAD (see annex II).

Once again, I would like to wish you every success in your endeavours and assure you of the ongoing support of the members of the Working Party.

(*Signed*) Mussie **Delelegn-Arega**
Chairman of the Working Party on the
Medium-term Plan and the Programme Budget

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Annex I

Review of the work programme: draft programme budget for the biennium 2002-2003*

Agreed conclusions[a]

The Working Party on the Medium-term Plan and the Programme Budget,

Having considered Section 11A "Trade and development" of the proposed programme budget for the biennium 2002-2003 (A/56/6 (Sect. 11A)),

1. *Concurs* with the programmatic content of Section 11A, which has taken into account many of the comments made by the Working Party at its January 2001 session during the preparatory process for the proposed programme budget for the biennium 2002-2003;

2. *Recalls* the assurances provided by the secretariat that the indicators of achievement contained in the Medium-term Plan for the period 2002-2005, including those referring to timeliness of documentation and assessment of technical cooperation projects, will be fully taken into account for the Mid-term Review scheduled for the second quarter of 2002;

3. *Expresses* appreciation for the information provided by the secretariat to the members of the Working Party, in particular for the presentations made on the mainstreaming of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/CONF.191/11);

4. *Emphasizes* the important role of UNCTAD, within its mandate, in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, and *welcomes* the assurances of the secretariat that it will proceed immediately with the full implementation of the Programme of Action, as relevant, and that the Office of the Special Coordinator will make full use in this regard of the substantive work on LDCs that is currently performed by various divisions in UNCTAD in contributing to the LDCs' progressive and beneficial integration and participation in the global economy and international trading system;

5. *Recommends* the insertion at the end of paragraph 11A.2 of the "Overview" of the following text: "In line with paragraph 113 of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, it is foreseen that the Trade and Development Board will mainstream the implementation of the Programme of Action within the work programme of UNCTAD, as well as in the UNCTAD intergovernmental process";

6. *Attaches* importance to assistance to LDCs in the areas of trade and investment, in particular capacity-building for trade negotiations, and *requests* that this aspect be fully taken into consideration within the implementation of subprogramme 9.3;

7. *Decides* to review at a resumed thirty-eighth session, to be convened as soon as possible, the impact on the system-wide coordination aspects contained in

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* Originally published as TD/B/WP/L.100.

[a] As adopted by the Working Party on the Medium-term Plan and the Programme Budget at the final plenary meeting of its resumed thirty-seventh session, on 12 June 2001.

subprogramme 9.5 of the decisions of the General Assembly based on the recommendations to be made by the Secretary-General of the United Nations to the fifty-sixth session of the General Assembly for an efficient and highly visible follow-up mechanism for the implementation of the Programme of Action adopted by the Third United Nations Conference on the Least Developed Countries, in line with paragraph 116 of the Programme of Action;

8. *Takes note* of the statement made by the Deputy Secretary-General of UNCTAD, reaffirming the secretariat's commitment to the effective functioning of the unit for landlocked developing countries and small island developing States within the Office of the Special Coordinator for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, and *reiterates* the importance of the work undertaken by UNCTAD in this area;

9. *Invites* the Secretary-General of UNCTAD to explore further possibilities for predictable and stable financing of participation of experts from developing countries and economies in transition in UNCTAD expert meetings and to provide proposals at the next session of the Working Party;

10. *Noting* the vacancy rate in UNCTAD, in particular at the senior level, *recommends* that the process of filling these vacancies be accelerated, while taking into account the need to improve geographical and gender representation;

11. *Recalls* its earlier request that the secretariat should enhance its coordinated approach in the launching of UNCTAD flagship reports;

12. *Reiterates* the importance it attaches to horizontal coordination within the secretariat, as well as to enhanced inter-divisional collaboration, in particular on cross-sectoral issues, *welcomes* the information provided by the secretariat on steps taken in meeting these objectives, and encourages the secretariat to continue with these coordination efforts;

13. *Notes* the detailed information provided by the secretariat in connection with the proposed Division of Management.

Annex II

Working Party on the Medium-term Plan and the Programme Budget, thirty-seventh session (second part, 11 and 12 June 2001)

Statement by Carlos Fortin, Deputy Secretary-General of UNCTAD

When the Working Party last met in January, it decided to reconvene to review the UNCTAD section of the proposed programme budget of the Secretary-General of the United Nations for the forthcoming biennium. On behalf of the Secretary-General of UNCTAD and of my colleagues, and on my own behalf, I should like to welcome you all to this resumed session. The related fascicle (A/56/6 (Sect. 11A)), which is identical to that submitted to the General Assembly's review bodies, the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination, is before you. At the end of this session the outcome will be communicated directly by the Chairman to these review bodies so that the Working Party's views may be taken into account in the respective deliberations at New York.

In January, the Working Party had before it a draft containing the work programme for the next biennium. As I explained at that time, once the process of consultation with member States in the Working Party had been completed, the Secretary-General of UNCTAD would transmit the outcome to United Nations Headquarters so that the Secretary-General of the United Nations could take it into account in finalizing his budget submission to the General Assembly. This has been done, as delegations have been informed at the informal meetings and particularly at the briefing of last Wednesday.

The document before you includes some changes to the text adopted by the Working Party last January. These changes reflect efforts at consistency in presentation throughout the United Nations Secretariat, in particular in the logical framework part covering objectives and indicators. I should like to draw attention to two changes from the text adopted by the Working Party last January: these refer to timeliness of documentation and indicators in technical cooperation projects. While in the present text there is no reference to these, both are included in the medium-term plan, and in accordance with the Trade and Development Board's decision of last year, they will be used in connection with the mid-term review to be conducted by the Board in the first half of next year. The fascicle also includes resource information which was not available when the Working Party met last January.

As the programme part was covered extensively at the first part of this session last January, and in line with past practice, at this resumed session the Working Party would normally concentrate on the resource aspects. For the next biennium the estimates of the Secretary-General of the United Nations include a modest real growth of 0.3 per cent in the UNCTAD budget. The proposed budget for the United Nations as a whole shows a 0.5 per cent real resource reduction before recosting, at the same time allowing for real increases in the priority areas established by the General Assembly in its resolution 55/233, one of which is the promotion of sustained economic growth and sustainable development.

The resource allocation proposed in the United Nations Secretary-General's budget for UNCTAD accords with the programmatic priorities established at UNCTAD X. Specifically, there is firstly a shift of resources to subprogrammes 2 (on investment, enterprise and technology) and 3 (on international trade); and secondly a further strengthening of the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries. The proposal also allows for two new posts for the work programme on Africa as part of subprogramme 1, and the reclassifications of two posts from P-3 to P-4, one each in subprogrammes 2 and 3.

I would also wish to comment on the proposal to establish a Division of Management. The General Assembly, in its resolution on trade and development of last December, requested the Secretary-General of the United Nations, in consultation with the Secretary-General of UNCTAD, to take the necessary measures to strengthen the management and enhance the programme delivery capacity of UNCTAD in order to enable it to fully and effectively implement the outcome of UNCTAD X. We have previously reported to the Working Party steps towards this objective, including the effective application of the various management instruments currently in use in the secretariat. In addition to these arrangements, a single entity for the overall planning, coordination and direction for programme support would significantly enhance top-level arrangements for management. In particular, this would permit a better balance in the work of the Deputy Secretary-General and his office between programme support management, including conference-servicing budget and finance, human resources management, information technology, technical cooperation and general services on the one hand, and overall substantive programme coordination and supervision of programme delivery on the other hand. This is particularly important given that the Bangkok Plan of Action, emphasizing as it does cross-sectoral and cross-divisional work, requires a stepping-up of substantive coordination arrangements aimed at improving synergies in the work of the divisions. The proposal includes the deployment of an existing D-1 post to supervise the day-to-day operations of administration.

In paragraph 6 of its agreed conclusions of last January, the Working Party also decided to take into account at this session the outcome of the Third United Nations Conference on the Least Developed Countries held at Brussels last month. I would therefore like to refer briefly to the issues of the follow-up to the Conference and its implications for the programme of work of UNCTAD.

The Programme of Action adopted at the Conference deals with follow-up issues at three levels. Firstly, a number of paragraphs reflect member States' views on mutually supportive commitments by the least developed countries on the one hand, and their development partners on the other. Secondly, paragraph 113 specifically addresses international organizations and emphasizes the need for mainstreaming of work on least developed countries at both the intergovernmental and secretariat levels. Thirdly, the last two paragraphs of the Programme of Action address institutional follow-up and request the Secretary-General of the United Nations to make proposals thereon to the General Assembly at its forthcoming fifty-sixth session.

The current work programme of UNCTAD is based on the notion of mainstreaming of activities in favour of least developed countries in the work of all subprogrammes. It will be recalled that, following UNCTAD IX in 1996, work on

least developed countries was precisely redefined in terms of incorporating it into the work of all sectoral subprogrammes, with subprogramme 5 on least developed, landlocked and island developing countries having a coordinating function to be implemented by a small office of the Special Coordinator. Mainstreaming was reflected in the UNCTAD sections of both the medium-term plan and the programme budget. Implementation of this approach was reported to member States, inter alia, through the paper on programme implementation distributed on 17 January 2000 on the eve of UNCTAD X. The proposed programme budget in the fascicle before you further reflects this mainstreaming and also the substantive links between subprogrammes 1 to 4 on the one hand and 5 on the other, with inputs flowing both ways. Thus subprogrammes 1 to 4, in addition to including sectoral work on least developed countries falling within their specific mandates, also provide inputs to the work of subprogramme 5 — for example in connection with the annual report on least developed countries — while, in turn subprogramme 5 provides inputs to the Trade and Development Board and its subsidiary commissions.

As the Secretary-General of UNCTAD stressed at the Trade and Development Board just prior to the Conference, implementation of the Programme of Action within the UNCTAD mandate must begin immediately after the Brussels Conference. The secretariat has already started to plan and execute activities within the UNCTAD mandate arising in particular from the Conference that will be carried out in the near future. Let me mention some of them by way of illustrating the kind of impact that the outcome of the Conference will have on the work of the secretariat:

- In the field of trade, the UNCTAD secretariat will step up its assistance to least developed countries in their preparations for multilateral trade negotiations. Specifically it will support the forthcoming meeting of least developed country Ministers of Trade in July in the United Republic of Tanzania in preparation for the Fourth World Trade Organization Ministerial Conference at Doha; furthermore, the next annual report on least developed countries will analyse all aspects of the dependence of least developed countries on international trade in commodities;

- In the field of investment, the secretariat is undertaking activities such as the first intensive programme for negotiators on international investment agreements, especially for francophone least developed countries; the launching of the Investment Advisory Council to promote investment in least developed countries; the multi-agency investment initiative for least developed countries; and investment guides and investment policy reviews for five least developed countries.

Paragraph 103 of the fascicle before you indicates that information on the functioning of the unit dealing with landlocked and small island developing countries would be submitted through the Working Party in implementation of General Assembly resolution 54/249. In discharging that commitment I would therefore like to place on record the unit's work on landlocked and island developing countries:

(a) Following the adoption of General Assembly resolution 54/249 in December 1999, the activities of UNCTAD related to the particular needs and problems of landlocked developing countries have intensified. UNCTAD provided

substantive and organizational support to the first and second negotiating meetings on a draft Transit Traffic Framework Agreement between China, Mongolia and the Russian Federation, held in May 2000 and January 2001 respectively. A third meeting will be held in September 2001. On various occasions, the Governments concerned have expressed their appreciation for UNCTAD support. In a letter addressed to the Secretary-General of UNCTAD, the Administrator of UNDP (May 2001) singled out the above negotiations as "one of the most successful projects" financed by UNDP;

(b) UNCTAD prepared a report entitled "Transit environment in the land-locked States of Central Asia and their transit neighbours" for the fifty-fifth session of the General Assembly. The Assembly noted with appreciation the contribution by UNCTAD, and requested the Secretary-General of UNCTAD to submit another report to it in 2002. Preparations for the Fifth Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, to be held in New York from 30 July to 3 August 2001, are at an advanced stage. The report of the meeting will be submitted to the General Assembly at its fifty-sixth session through the Trade and Development Board;

(c) At the request of the Lao People's Democratic Republic, last December UNCTAD organized a consultative group meeting in Vientiane between that country and its transit neighbours as well as representatives of donor countries in financial and development institutions. The meeting adopted a Plan of Action for improving the country's transit systems. The meeting's participants expressed appreciation to UNDP and UNCTAD for sponsoring the consultative group;

(d) UNCTAD has provided assistance to Zambia and the United Republic of Tanzania in their effort to establish a road traffic information system, which is an important element of the Southern African Development Community's programme to improve transport and transit systems in southern Africa.

During the current biennium, the Office of the Special Coordinator has also intensified its support to the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States with a view to increasing the chances of small island developing States to find new economic opportunities in, and avoid further marginalization from, the global economy. Activities took place in the following areas:

- Analysis of economic vulnerability (through the preparation of vulnerability profiles of four least developed small island developing States that have been near the threshold of graduation from least developed country status: Cape Verde, Maldives, Samoa and Vanuatu);

- Initiation and coordination of activities to reduce the economic handicaps of small island developing States through trade efficiency projects, to enhance the economic specialization of those States (through policy advice on new trading opportunities and investment and research and technical assistance on economic sectors of particular interest to them); and to increase the economic opportunities offered by the multilateral trade framework (in accordance with paragraph 133 of the UNCTAD X Plan of Action, UNCTAD assisted small island developing States in their preparations for the WTO negotiations on agriculture);

- Special support to the 10 least developed small island developing States (Cape Verde, Comoros, Haiti, Kiribati, Maldives, Samoa, Sao Tome and Principe, Solomon Islands, Tuvalu and Vanuatu) in the context of the Third United Nations Conference on the Least Developed Countries;

- Particular attention was given to small island developing States in a high-level meeting on tourism in the least developed countries (Canary Islands, Spain, 26-29 March 2001) jointly organized by UNCTAD and the World Tourism Organization as one of the events preceding the Conference;

- Coordination and substantive backstopping of various technical cooperation activities in the Caribbean (Haiti, St. Lucia) and the Pacific (Forum secretariat and the five least developed countries of the region).

Several expressions of appreciation were received by UNCTAD from the beneficiaries of these activities, in particular, the least developed small island developing States, the small island developing States that are members of WTO, the Committee for Development Policy and the Economic and Social Council at the time of the 2000 review of the list of least developed countries.

I mentioned earlier in my statement that the Programme of Action from Brussels refers to the issue of follow-up at three levels, reflecting action by least developed countries and their development partners, by international organizations, including their intergovernmental bodies, and institutional follow-up. The latter will be dealt with in the report that the Secretary-General of the United Nations has been requested to provide in line with the last paragraph of the Brussels Programme of Action. The UNCTAD Secretary-General is in consultation with the Secretary-General of the United Nations on the matter.

I should conclude by referring to two issues that are of interest to delegations here. First, I should confirm that the proposed budget does not include provision for the financing of the participation of experts from developing countries to UNCTAD intergovernmental expert group meetings. Second, a modest provision has been included, under section 21, Regular programme of technical cooperation, of the proposed programme budget of the United Nations, for the organization of training workshops on international economic issues. This provision will enable the secretariat to proceed with the organization of training courses in the biennium 2002-2003 as part of the implementation of paragraph 166 of the UNCTAD X Plan of Action. However, the nature and location of such courses will, of course, depend on the advice of the Advisory Board, in the light of the first course, which I am happy to confirm, will be held later this month and next in Geneva and in Turin, Italy.